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Finance, Revenue & Bonding Committee

April 15, 2015 – Public Hearing

Good afternoon Rep. Berger, Sen. Fonfara, Rep. Davis, Sen. Frantz and members of the Finance committee. My name is James Desantos and I am the VP of Government Relations for Greenskies Renewable Energy. Greenskies is a Middletown based Commercial, Industrial and Municipal solar development company that has been leading the development of solar in these sectors since being founded in 2008. Currently, we are the largest privately held solar development company in the country within the C&I space and our business here in CT has grown significantly since the passage of PA 11-80 which created Performance Based Incentives or ZREC's. I can tell you first hand that Connecticut is one of the fastest growing markets for solar energy deployment, which can be attributed directly to the passage of PA 11-80.

I am here today to testify in strong support of HB 7055 AN ACT CONCERNING CONNECTICUT FIRST. (Section 3 and 4)

In the North East, especially in Connecticut, buildable land is scarce and very costly - and this trend will only continue. What we do have though is a significant amount of brownfield and landfill sites scattered throughout our urban and rural centers. These sites present an amazing opportunity to provide distributed generation on dormant and otherwise unusable land while creating a demand for green-collar jobs in neighborhoods with a high percentage of vacant and blighted properties. Solar installations can reduce blighted properties while improving the appearances of entire neighborhoods.

What this legislation effectively does is shift the development of large scale renewable energy projects from open space and farmland to already-contaminated land. This is a perfect solution that marries brownfield redevelopment and energy development in a sustainable and strategic manner. The language seeks to create a specific silo or ZREC category specifically for projects that are located upon these sites.

Solar projects here in CT are financed by developers through a kW rate with the off taker, tax equity, senior debt, Federal Tax Credits (ITC & MACRS) and the Connecticut ZREC program. The ZREC program for large projects (any system between 250 kw (AC) and 1000 kw (AC)) are awarded ZREC's through a competitive process. Therefore the lowest ZREC bid that is submitted wins regardless of the arrays location. This bill solves this disparity and will

effectively shift development to brownfields and landfills by leveling the playing field as costs to develop solar arrays on top of these sites are significantly greater. The costs of developing these sites are extraordinary as the site work needed and non-penetrating racking components are significant compared to driven post racking on open fields.

As the costs of developing a solar array on brownfields and landfills are significantly greater coupled with the need to make the kW hour rate as competitive as possible to the off-taker, there is a need for a higher ZREC value in order to make the project financeable. As the ZREC process is competitive, less expensive installations in open spaces and upon farmlands can enter significantly lower ZREC values in order to finance projects. What this essentially does is assure that brownfield and landfill projects will not be competitive enough to secure ZREC's and therefore will never be built.

This legislation has the potential to be a catalyst for a positive policy shift, that will lead to the development of solar on dormant land while providing countless benefits to Connecticut's residents, Connecticut's municipalities and will result in the creation of numerous green-collar jobs while providing much needed revenue to the state.

Greenskies welcomes the opportunity to meet with the leadership of the Finance Committee in order to tighten up the language to assure that the current ZREC framework is not affected by this legislation and that both programs, current and proposed, can work alongside each other to create a brighter future for Connecticut.

Thank you.